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ALTERNATIVE METHODS OF EMPLOYING ANNUITANTS

A. CIA Retirement System

1. Recall

- a. Director may with the consent of any retired participant recall participant to duty in the Agency whenever he shall determine such recall is in the public interest.

b. Characteristics

Excepted appointment

Full salary in lieu of annuity

Contributions to the retirement fund (6 1/2%)

Recomputation of annuity when reverted back to retired status

Deductions for FEGLI and hospitalization

Annual leave same basis as other employees

Sick leave restored if rehired before three years have elapsed

2. Reemployed annuitant

- a. A participant retired may be employed in any appointive position for which he is qualified.

b. Characteristics

Excepted appointment

Salary offset by amount of annuity

No contributions to the fund

Social Security deductions are withheld

Recomputation of annuity prohibited

Continues hospitalization as retiree

No premiums for FEGLI

Annual leave on same basis as other employees

Sick leave restored if rehired before three years have elapsed

3. Reemployed annuitant - Contract employee

a. Characteristics

Appointed by contract

Salary offset by amount of annuity

Characteristics (continued)

No contributions to the fund
Social Security deductions are withheld
Recomputation of annuity prohibited
Continues hospitalization as retiree
No premiums for FEGLI
Leave benefits - determined by employing office

4. Reemployed annuitant - Independent contractor

a. Characteristics

Hired by contract
No salary offset
No contributions to the fund
No Social Security deductions (employee pays as "self-employed")
Recomputation of annuity prohibited
Continues hospitalization as retiree
No premiums for FEGLI
No leave benefits

B. Civil Service Retirement System

All features the same as under the CIA Retirement System with two exceptions:

1. Social Security deductions are not withheld.
2. Reemployed annuitants can apply for supplemental annuity after one full year of service (except Independent Contractor). Supplemental annuity will be 2% of full salary (not 2% of hi-five average).

C. General

Normally, the total of the annuitant's retirement annuity and his contract fee cannot exceed his annual salary at the time of his retirement. Also, all agreements are of a temporary nature and can be terminated at the will of the employer.